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Copeinca fishing vessel. (Photo Credit: Copeinca)

Pacific Andes goes after Copeinca



HONG KONG

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Food supplier [China Fishery Group](#) announced this week that it intends to offer USD 556 million for Oslo Børs-listed [Copeinca ASA](#), Peru's second-biggest fishing firm.

Singapore-listed China Fishery, a unit of Hong Kong's Pacific Andes International Holdings Ltd, sells most of its fish in China. It is offering USD 9.50 for each Copeinca share and will offer the same price for the firm's Lima-listed securities.

Copeinca is the largest producer and exporter of fishmeal and fish oil by volume in the world, according to the [International Fishmeal and Fish Oil Organisation](#) (IFFO). It enjoys a 10.7 per cent share of Peru's catch quota for anchovy.

If the deal goes through, China Fishery would become Peru's main producer of fishmeal and fish oil from anchovy, *MarketWatch* reports.

China Fishery said it plans to raise between USD 277 million and USD 285 million in net proceeds from a sale of rights shares to help pay for the USD 556 million-deal, and will use loans and internal funds to pay for the rest of the acquisition.

Per the planned rights issue, China Fishery's shareholders can subscribe from 1.02 billion to 1.05 billion new shares at USD 0.27 each. If, conversely, the Copeinca acquisition does not go through, China Fishery will use the funds to repay loans, supplement working capital and expand itself.

The stake of US private equity firm Carlyle Group, which has an 11.1 per cent stake in China Fishery and also holds warrants in the company, could rise to 13.4 per cent if it decides to buy more shares.

China Fishery's offer is subject to regulatory approvals, including that of shareholders, and the company securing more than half of Copeinca by 12 April, or 23 May if the deadline is extended. China Fishery said that shareholders who own about 14.2 per cent of Copeinca expressed they would accept its offer.

China Fishery has also acquired an option over a Copeinca shareholder's 10.8 per cent stake in the anchovy-fishing firm.

By *Natalia Real*
editorial@fis.com

